

## **BOARD OF DIRECTORS – ACTION SUMMARY**

**Wednesday, October 27, 2004 – 6:00 p.m.**

**Administration Building  
2101 Hurley Way, Sacramento, CA**

### **CALL TO ORDER**

The meeting was called to order by President Jones. Board Members present: Duveneck, Engellenner, Granados, Jones, Kelly, Lawson, Trujillo, Valley. Director Goold, absent. Staff: Fire Chief Martinez, Board Clerk Tilson.

### **PLEDGE TO FLAG**

### **PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA**

Deputy Chief Appel stated he informed the Finance Committee this afternoon that the District was contacted by the Sacramento County Employees' Retirement System (SCERS). SCERS wrote the Resolution we submitted but it was not clear to SCERS that we wanted the enhanced benefit for the former North Highlands employees. SCERS was informed that we do and that is why we sold bonds. A letter of understanding was requested. He recommended the clarification be provided by Resolution, but will consult with Counsel upon his return from vacation and may be coming back at the next meeting with either a letter of understanding or a Resolution.

In response to Director Engellenner, the Resolution was effective upon adoption [10-06-04], but the 3% at 50 benefit for the former Florin and North Highlands safety members who retire is effective December 1, 2004.

### **CONSENT AGENDA:**

#### **1. Board Meeting Action Summary—October 13, 2004**

- **Board Action:**  
*Engellenner/Granados—approve the Consent Agenda. Directors Duveneck, Engellenner, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Director Granados, abstaining. Director Goold, absent. Motion carried.*

**ACTION ITEM(S)****1. Proposed Reorganization of the Fair Oaks and Sylvan Cemetery Districts LAFCo (15-04)—(Appel)**

- Residents of the Sylvan Cemetery District residing in Zip Code 95682, north of Madison Avenue, have requested to become part of the Fair Oaks Cemetery District. As a result, the Governing Boards of Fair Oaks and Sylvan Cemetery Districts have agreed on an exchange, through annexations, of territory within both districts and a financing plan associated with that territory exchange.
- Recommend the Board direct staff to prepare a written response to LAFCo indicating that the proposed reorganization of the Fair Oaks and Sylvan Cemetery District will not impose either a financial or operational impact on Metro Fire and that our District is not opposed to the reorganization.
- **Board Action:**  
*Engellenner/Granados—approve the staff recommendation. Directors Duveneck, Engellenner, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Director Goold, absent. Motion carried.*

**PRESENTATION ITEM(S)**

[Taken out of order after Presentation Item #2]

**1. Arden Arcade Cityhood Study—(Bill Davis)**

- An informational packet from the Arden Arcade Cityhood Study Team was distributed containing background history.
- Started in January with the formation. Their purpose is to develop information to provide Arden Arcade residents and businesses an opportunity to consider cityhood as an alternative to continued governance by Sacramento County.
- Economic & Planning Systems, Inc. (EPS) engaged to prepare an initial fiscal feasibility analysis of cityhood. Gathering information from Citrus Heights, Rancho Cordova, and Elk Grove about their experiences.
- Expect some results after the first of the year once the consultant receives and analyzes requested data from the County. Need to establish a meeting to work out some details.
- Question and answer on the amount of support received from the County Board of Supervisors.

The County is experiencing budgetary problems and a decision was made to look at cityhood as an alternative for better police services, increased code enforcement, cheaper garbage collection rates. No firm conclusion at this point.

Arden Arcade is the same size geographically and population-wise as the City of Citrus Heights; comparable physical infrastructure.

- The economic benefit versus the benefit to the City is an important issue to be considered.

Wages and benefits for contracted city services to be taken into consideration.

- Foresees no impact on fire service provided by Metro if cityhood is successful.
- At the request of Board members, a future presentation will be made on the results of the cityhood study when available.

## **2. Pension Funding Bonds-Final Report on Bond Sales—(Appel)**

- Chief Appel introduced Dennis Ciocca of Sutter Securities, the District's financial advisor, who was very instrumental in the sale of the bonds.
- Mr. Ciocca presented a status report on the bond sale on October 12. At the Board meeting held October 13, Deputy Chief Appel reported that the District sold \$69,998,975 of Pension Funding Bonds at an interest rate of 5.334%, which was 1.163% lower than the maximum authorization of 6.5%.

Analysis of the bond issue:

- Almost every pension funding bond sold in the State for the past year was insured including the County of Sacramento. The estimated cost for insurance was \$700,000, but it was not required at the demand of the buyers.
- As financial advisors, an analysis was prepared of pension funding bonds in California over the past year versus comparable treasury obligation sales. The District bonds sold at a lower spread to treasuries with a sole exception in the State.

- Due to the substantial savings on insurance, \$69,302,000 out of the \$69,998,975 sold went to the PERS and SCERS pension funding obligations. Less than 1% of the whole issue was used for all the costs of issuance, bond attorneys and financial consultants, underwriters, etc., which is the highest funding ratio of any pension funding obligation sold in California in the last year.
- Virtually all of the bonds were sold to European financial institutions. This country has a serious trade deficit and capital was imported back into the United States, which helps to balance the trade deficit.
- Thanked everyone for the opportunity to be associated with this issue. Particular thanks extended to Deputy Chief Appel, Don Price, Bill Sponable, and Drew Houghton who did an outstanding job.
- On behalf of the Board, President Jones thanked Mr. Ciocca for his diligence and leadership in helping the District team.

**PRESIDENT'S REPORT—(Jones)      None**

**FIRE CHIEF'S REPORT—(Latta)**

- A contract for structural fire services for the McClellan property to be presented to the Board to include the airport (ARFF). Concluding negotiations on the final stages of a five-year agreement with the Coast Guard and the County of Sacramento.

**GENERAL COUNSEL'S REPORT—(Price)      None**

**COMMITTEE AND DELEGATE REPORTS:**

**Executive Committee—(Jones)**

- Next meeting:    TBA

**Communications Center Delegate—(Engellenner)**

- Insurance carrier evaluating bids for water flooding restoration. Selection by next Friday. Comm Center to pay approximately \$5,000 already budgeted for a few extra alterations.
- Next Meeting:    November 30, 2004 – 10:30 a.m.

**California Fire & Rescue Training Authority—(Goold)**

- Next meeting:    TBA

**Finance Committee—(Jones)**

- Next meeting: November 24, 2004 – 5:00 p.m.

**Policy Committee—(Trujillo)**

- Next meeting: November 10, 2004 – 5:00 p.m.

**BOARD MEMBER QUESTIONS AND COMMENTS:****Valley:**

- The Sacramento Bee today quoted people talking in Closed Session. His understanding is that this is against the law. Legal counsel is not here tonight for discussion.

**Lawson:**

- To address the issues of the community, he proudly stands by the decision of the full Board that it was representative to the needs of our fire service protective members. We made the right decision to take care of those who work for Metro.

**Trujillo:**

- The ranking for Battalion Chiefs and the rule of three will be on the Agenda for action at the next Policy Committee meeting.
- He is proud of the pay raise given our men and women in the fire service. Out of the ten comparables, they are now number seven. Sorry there wasn't more to give because they deserve it.

**Kelly:**

- Positive note in the Finance Committee Action Summary that expenditures at the end of June 2004 were approximately \$9 million less than projected, with revenue nearly on target for the fiscal year.

Director Jones confirmed everything is on target for this year.

**Engellenner:**

- Last Sunday he went out with some of our firefighters for the tree planting in the Arden Park area and met over 250 people and their families. It was a great day and he enjoyed a brown bag lunch provided by the ladies. The people wanted him to thank the Board for sending the firefighters out. He understood they went out on their own time and days off.
- Inquired about the status of the Russian Church in Florin that appeared before the Board around one year ago.

Fire Marshal Dobson stated that working through their attorney and the Church Board, they finally submitted plans and got an architect who could get the work done. Slowly but surely moving ahead on their issues.

## **BREAK FOLLOWED BY CLOSED SESSION 6:52 PM**

## **RECONVENE TO OPEN SESSION 7:20 PM**

Report by Deputy Chief Latta on the following:

### **1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8900 Kiefer Boulevard, Sacramento, Sacramento County, California, APN 074 0031 019  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner Kimberly Healey  
Under Negotiation: Price and terms/conditions of purchase

### **2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8904 and 8906 Kiefer Boulevard, Sacramento, Sacramento County, CA APNs 074 0031 025 and 074 0031 026  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owners Harold and Virginia Eckes  
Under Negotiation: Price and terms/conditions of purchase

### **3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8908 Kiefer Boulevard, Sacramento, Sacramento County, CA APN 074 0031 027  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner Michael Wilson  
Under Negotiation: Price and terms/conditions of purchase

**4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8912 Kiefer Boulevard and 8909 Frederic Avenue, Sacramento, Sacramento County, CA APNs 074 0031 024 and 074 0031 030  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owners Robert Simmons, Paul Duffield, and Richard Mulvey, as trustees for the Sacramento California East Congregation of Jehovah's Witnesses and James and Jane Waddington, as their interest may be determined.  
Under Negotiation: Price and terms/conditions of purchase

**5. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8901 Fredric Avenue, Sacramento, Sacramento County, CA APN 074 0031 018  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner Clifford Hobson  
Under Negotiation: Price and terms/conditions of purchase

**6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8905 Fredric Avenue, Sacramento, Sacramento County, CA APN 074 0031 017  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner Lee Tran Nguyen  
Under Negotiation: Price and terms/conditions of purchase

**7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8913 Fredric Avenue, Sacramento, Sacramento County, CA APN 074 0031 029  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner John Baker  
Under Negotiation: Price and terms/conditions of purchase

**8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: 8917 Fredric Avenue, Sacramento, Sacramento County, CA APN 074 0031 014  
Agency Negotiator: Chuck Horel, Project Manager  
Negotiating Parties: Sacramento Metropolitan Fire District and Property Owner Daniel Tramontini  
Under Negotiation: Price and terms/conditions of purchase

The Board provided direction to the District negotiator on the properties listed on the agenda.

- Director Lawson requested an update on the properties for sale in the North area.

Project Manager Horel stated there was a bid opening yesterday for the 3.4 acre parcel on Greenback and Kenneth. This item will be on the next agenda of November 10. Received three bids--the highest bid was under the appraised value but in the ballpark. The second property declared surplus will not be marketed until this transaction is completed.

**ADJOURNMENT:** The meeting was adjourned at 7:25 p.m.

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Gay Jones, President

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H. Peter Engellenner, Secretary

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Charlotte Tilson, Clerk of the Board